

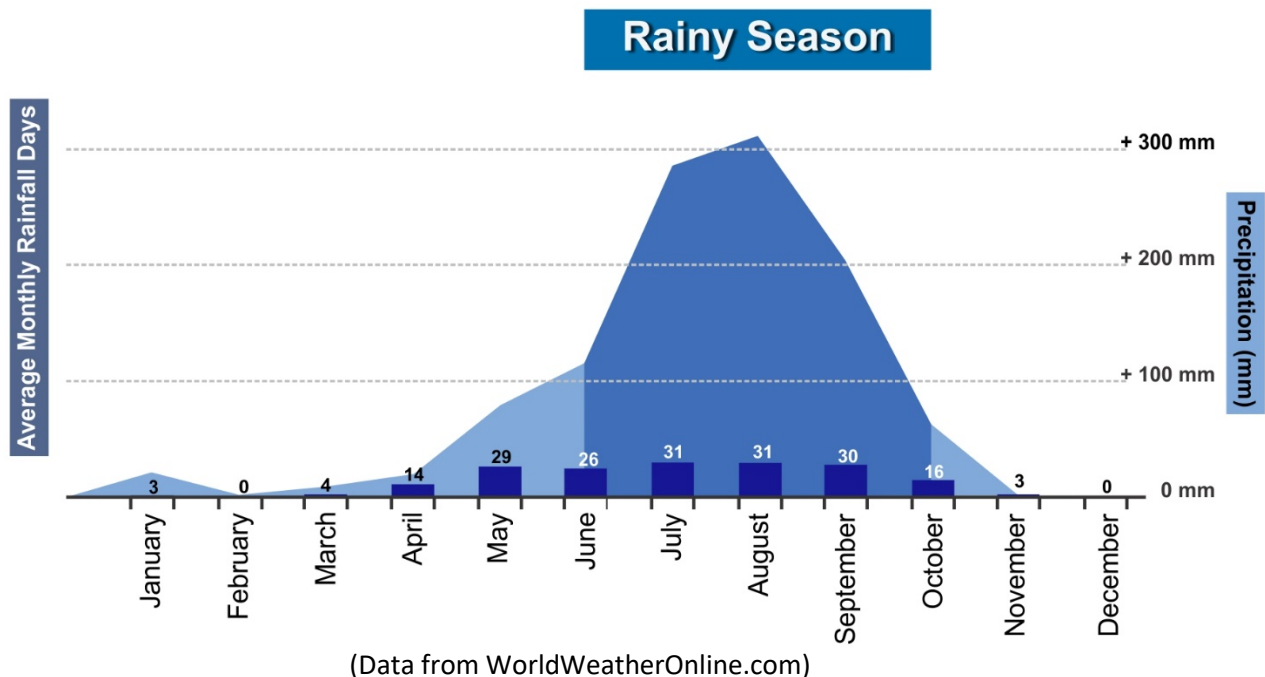


October 18, 2018

President’s Letter to Shareholders

Since my last letter we have been reporting on the extensive soil sample and auger drilling results spanning the nearly 1200 sq. km of our Sikasso property in Southern Mali. Tens of thousands of soil samples and thousands of metres of auger drilling have now been completed, analysed and cross referenced by our technical team, using a variety of geological tools, data and independent studies. The exciting result is that we are now ready to commence a focused bedrock drilling program on numerous, high priority targets. By the end of our first year, we will have completed the first bedrock drilling ever performed on the Sikasso Property. This work will begin after the rainy season ends in the coming weeks and once the ground has dried out enough to enable our team and contractors to safely access the first priority target areas on our Ouassada permit.

For those not familiar with the weather conditions to which I am referring, the Sikasso Property is located on the southern edge of the Sahel, or sub-Saharan belt, and is characterized by a subtropical to hot climate with dry and wet seasons. Normally, the rainy season extends from May to October, with an average rainfall of 800-1000 mm, followed by six-months of hot dry conditions. (See the graph and photos below.) Although some limited exploration activity can be conducted year-round, many roads and streams are dangerous or simply impassable during the wet season, and also for some weeks after the rains cease. By all accounts, this latest rainy season has been one of the wettest in the last ten years.





(Compass Gold – Sikasso Property – October 2018)

Our bedrock drilling work, will be focused on the first of 14 targets over a distance of 12 km on the Ouassada permit, and is scheduled to commence before the end of November. Our aim is to drill test bedrock gold mineralization in four zones with active artisanal mining. We plan to drill a total of approximately 3,500 m along six fences down to average depths of about 120 metres. Our technical team chose these targets based on shallow and deep (auger) soil gold anomalism; induced polarization (IP) conductor results; geological mapping; and, interpretation of high-resolution airborne magnetic geophysics. We anticipate being able to provide investors with the first results from this work early in the new calendar year.

Why is this next stage important?

The main reasons are simple. Following just one dry season (December to May), our team has uncovered numerous, often extensive, anomalous areas with coincident bedrock gold mineralization on the Ouassada permit. Most importantly, we are seeing a similar kind of structure and systems that exist at other known gold mines in the area. Specifically, the geology of the anomalous area is predominantly underlain by a Birimian (Lower Proterozoic) felsic volcanoclastic unit cut by the Siekeroli Shear Zone. This shear zone is instrumental in the deposition of gold at the Yanfolila mine located 35 km to the south of Ouassada. Similar lithologies and associated faults are responsible for mineralization at the Kalana and Kodiéran mines to the south of Yanfolila. The abundance of gold mineralization and the number of anomalous areas suggest that the area has experienced focused gold-rich fluid flow. The next step is to try to confirm the presence and location of bedrock mineralization beneath the weathered laterite and saprolite. Put simply, there is compelling evidence from our work to date that the Ouassada permit contains bedrock gold mineralization at several locations over a strike length of 12 km. Only through bedrock drilling can we test this hypothesis.

While this second phase will focus on Ouassada, it is important to note that our team has identified several more anomalous areas on our other Sikasso permits. At Sankarani, for example, we identified four discrete gold anomalies along strike lengths up to 3 km and widths up to 1 km, and found a soil sample containing

31.3 grams per tonne (g/t) gold (Au) over previously undocumented artisanal workings. At Kourou, the team identified twelve more discrete shallow soil gold anomalies with strike lengths up to 5 km, and grades of 1.38 g/t. Clearly, these findings deserve additional follow-up in the coming year.

I am also pleased to report that we remain on track to complete our two-phased 2018 exploration program on budget and on schedule.

Share Trading

As we are all well aware, our share trading continues to be thin and irregular. Further, the summer – Mali’s rainy season – has seen our share price weakened in line with the price of gold and a generally soft gold equity market. While I cannot forecast what will happen in the stock market, I must tell you that I am even more confident today than I was when we launched the new Compass Gold in late 2017 that we have the right leadership and technical team, as well as the right assets in the right part of the world on which to build a successful company.

Our results so far have advanced our projects significantly and, in our view, increased the fundamental value of our assets. Our objective is for the market to properly recognize the value we are creating. In addition to our own reporting and direct communications with shareholders, we have recently engaged INFOR Financial Inc. to provide general capital markets support services aimed at maintaining active and orderly trading in the market for the Company’s securities. Without becoming an investor and without attempting to influence the market price of our company’s shares, INFOR will contribute to market liquidity and depth and introduce Compass to more investors.

As we prepare to get the drills turning again, I want again to thank our shareholders – old and new – for their support, as well as for their patience during this “quieter” time. I look forward to our next opportunity to communicate with you as the next results become available. In addition to our public announcements, this will include more conference calls and face-to-face meetings with investors where they may be practical.

In the meantime, I hope that you will be free to reach out either to me or to Greg Taylor, our Director of Communications and Investor Relations, with any questions, thoughts or suggestions you might have. Our Technical Director, Dr. Sandy Archibald, may also be available.

Sincerely,
Larry Phillips
 President and Chief Executive Officer

For further information, please contact:

Larry Phillips – President & CEO	Greg Taylor – Dir. Investor Relations & Corporate Communications
lphillips@compassgoldcorp.com	gtaylor@compassgoldcorp.com
T: +1 416-596-0996 X 302	T: +1 416-596-0996 X 301

Website: www.compassgoldcorp.com